
California's SCHIP Program: The Healthy Families Program

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California's Healthy Families Program (HFP)

- Opened for enrollment: July 1998
- Serves children at income up to 250% FPL
- Separate program built on top of Medicaid (called "Medi-Cal" in California).
- Children receive comprehensive health, dental and vision coverage.
- Family pays a monthly premium; amount varies by income level.

California's Healthy Families Program (HFP)

- One mail-in application for both Medi-Cal and HFP so families may apply for either program at the same time.
- In process of modifying electronic application to allow public access.
- Uses contracted administrative vendor for eligibility determination and enrollment.

California's Healthy Families Program (HFP)

❑ Managed care model

- ❑ Uses commercial HMOs, EPOs and public plans
- ❑ 24 health plans, 6 dental plans and 3 vision plans
 - In 4 large counties, members can choose from up to 7 health plans
 - In 3 medium size counties, members can choose from 3 or more health plans
 - 99.7% of subscribers have choice between at least 2 health plans
 - Special need and mental health services are provided through counties (separate from HFP).
- ❑ Cost of Coverage:
 - \$126.53 average monthly cost (State Fiscal Year 2007-2008) for children of all ages for health, dental, and vision benefits broken down as follows:
 - ❑ \$10.94 administrative cost
 - ❑ Coverage cost by age: 1 to 19 yrs: \$98.88; 2 months to 1 yr: \$237.14; Birth to 2 months: \$3,104

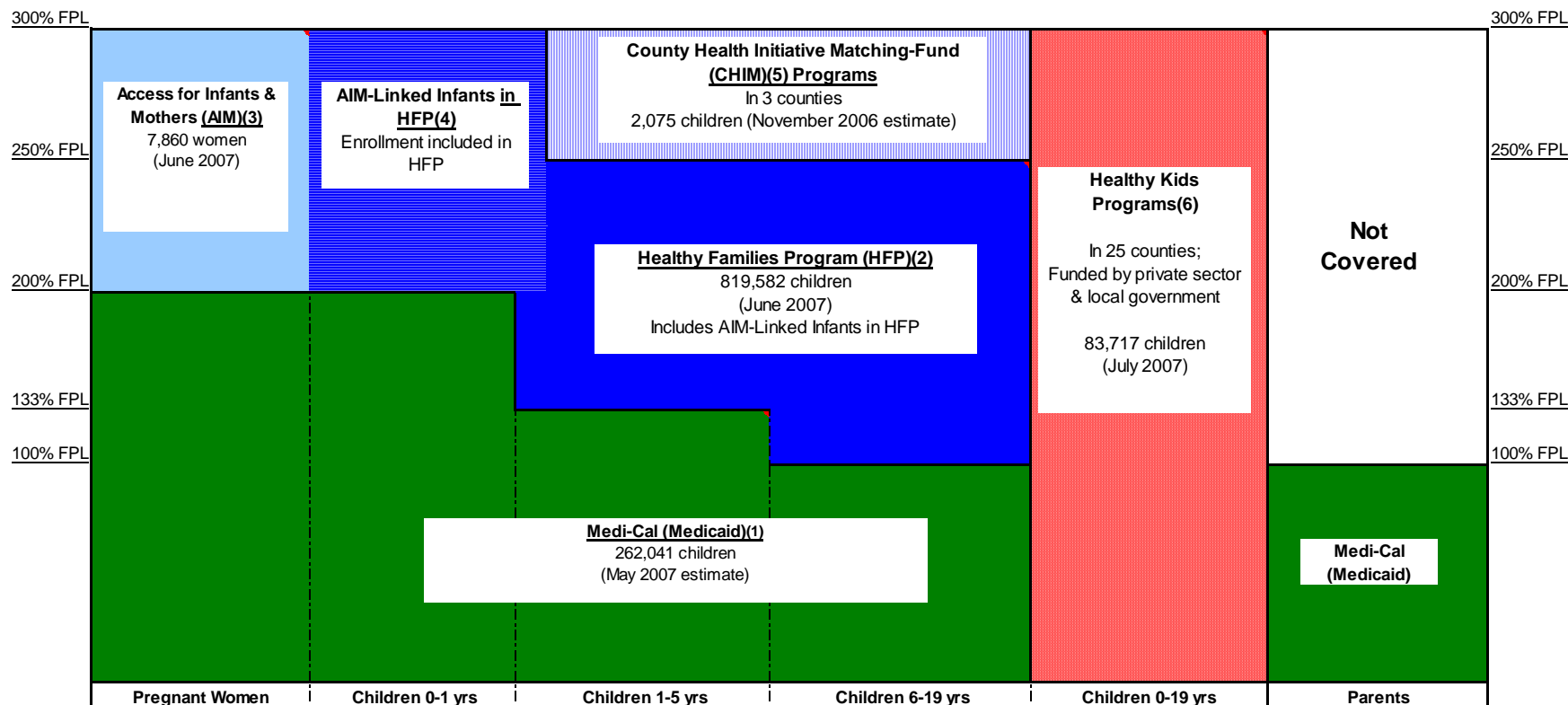
Administrative Vendor Services

- ❑ Use Private Vendor for program administration
 - ❑ \$4.10 per member per month or \$49.20 per year
- ❑ Vendor paid for enrollment, not processing applications, to provide incentive for retention
- ❑ 98% Contractually established performance requirements with financial penalties. Highest standard nationally in Medicaid and SCHIP.
 - ❑ Processing timeframes
 - ❑ Accuracy
- ❑ Extensive customer service
 - ❑ Call center staff available in 11 languages
 - ❑ Materials produced in 5 languages
 - ❑ Websites in English and Spanish
 - ❑ On-line training for application assistors
 - ❑ Electronic application available to public in 2008
 - ❑ Frequent reminders for families on enrollment and billing

California's Family Health Insurance Programs (July 2007)

BLUE - Over 800,000 children are in State Children Health Insurance Program (SCHIP)-funded programs overseen by the California Managed Risk Medical Insurance Board.

GREEN - Over 200,000 children are in SCHIP-funded Medi-Cal (Medicaid) Program, overseen by the California Department of Health Services.

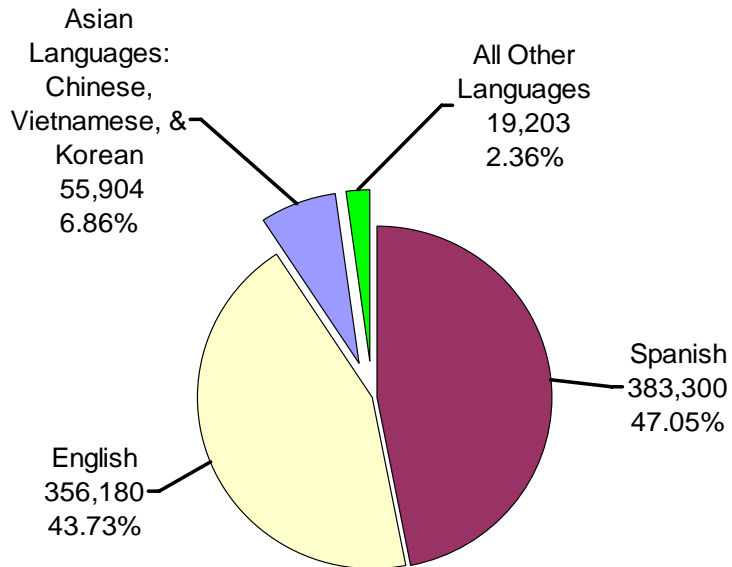


- 1) Medi-Cal, the State's Medicaid program, receives a 50% federal Title XIX match. In addition, there are programs within Medi-Cal, such as Presumptive Eligibility, funded with Title XXI SCHIP Funds.
- 2) The Healthy Families Program (HFP) receives a 2 to 1 federal State Children's Health Insurance Program (SCHIP) fund match.
- 3) AIM program cost for pregnant women is funded with State Proposition 99 funds matched by Federal Title XXI SCHIP Funds as approved in the federal State Plan Amendment, effective July 1, 2004. Title XXI also funds some pregnant women in Medi-Cal.
- 4) Infants born to AIM moms enrolled on or after July 1, 2004 are automatically enrolled in HFP at birth. Infants born to AIM moms enrolled prior to July 1, 2004 remain in AIM up to age 2. In HFP, the State Plan Amendment to allow MRMIB to claim Title XXI funding for infants between 250% to 300% FPL has been approved by the Federal government.
- 5) CHIM, created by AB 495 (2001), was approved by the Federal government for SCHIP-eligible children using Title XXI SCHIP funding for operation in the counties of Santa Clara, San Francisco, and San Mateo. Santa Cruz county is awaiting approval of a State Plan Amendment for SCHIP funding.
- 6) The following counties have programs for children ineligible for full-scope Medi-Cal and Healthy Families: Alameda, Santa Clara, San Francisco (0-24 yrs old), Riverside, San Mateo (up to 400% FPL), Los Angeles, San Bernardino, San Joaquin, Santa Cruz, Kern, San Luis Obispo, Santa Barbara, Napa, Solano, Sonoma, Yolo, Fresno, Tulare, Colusa, Sacramento, Yuba, Orange, Merced, Kings and El Dorado.

FPL (Federal Poverty Level) changes annually on April 1st and is based on Federal annual income guidelines which include family size. FPLs change annually on April 1st. The FPLs effective 4/1/07 for 100% FPL is \$13,692 for a family of two persons, \$17,172 for three persons, \$20,652 for four persons, and increases for larger family sizes.

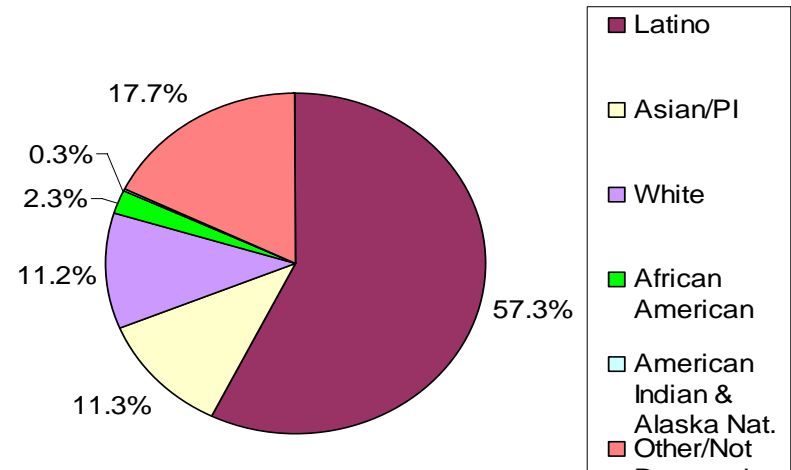
HFP Demographics

Spoken Languages



Data as of May 31, 2007

Subscribers Ethnicity

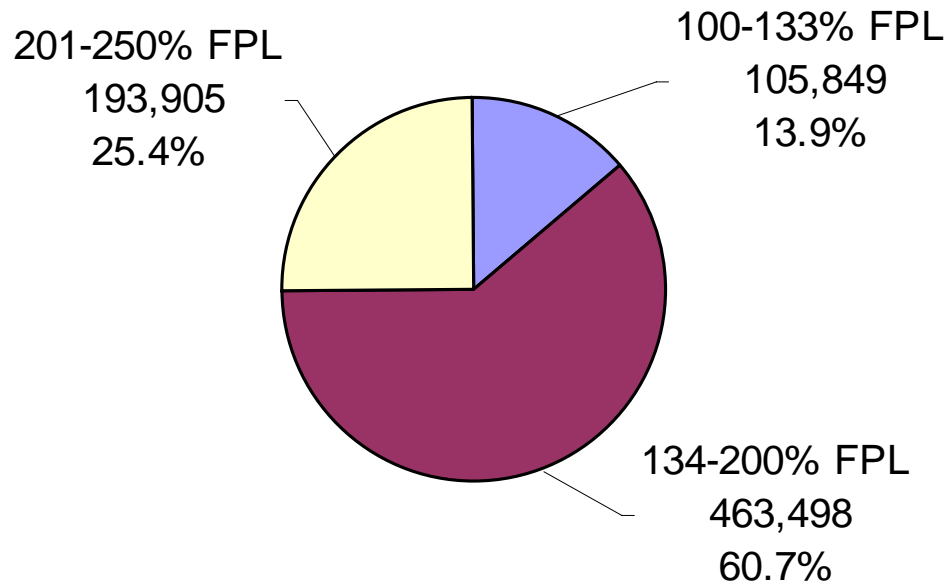


Data as of June 2007

*Data on the language spoken and written are statistically the same.

Income of California's SCHIP Subscribers

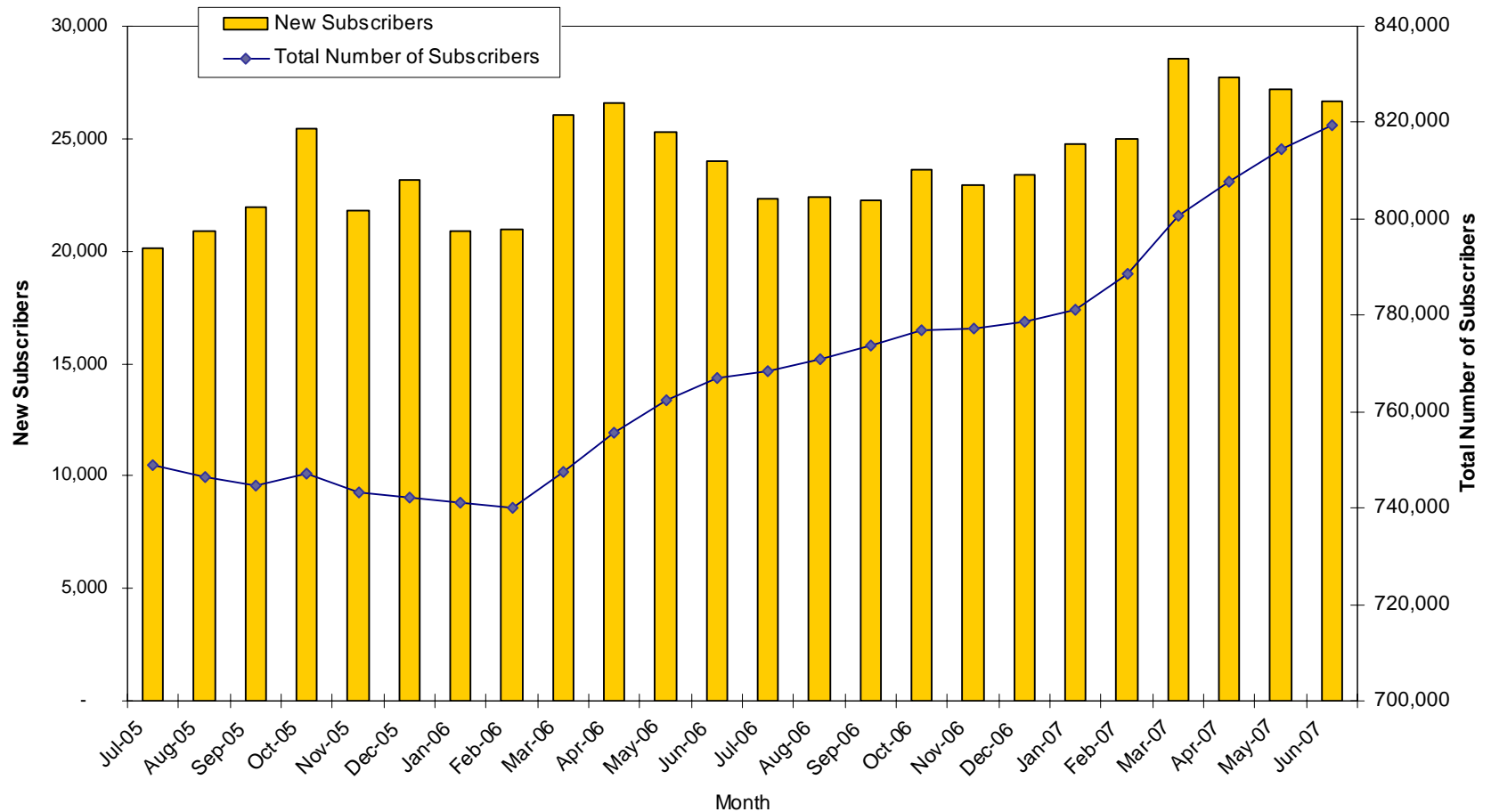
California SCHIP Subscribers' Income Based on Federal Poverty Level (FPL)



Average Income of California
SCHIP Subscribers:
163% FPL

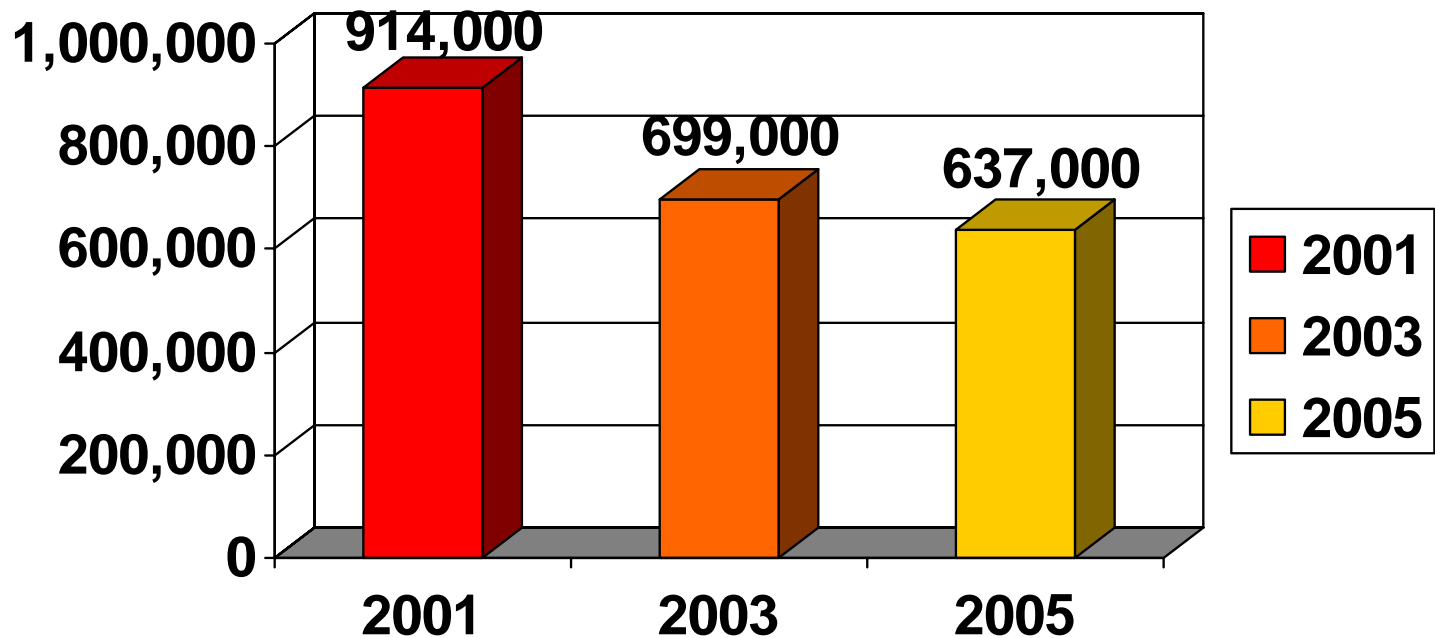
Data as of 2/28/07

Healthy Families Program Enrollment History Enrollment Data July 2005 through June 2007



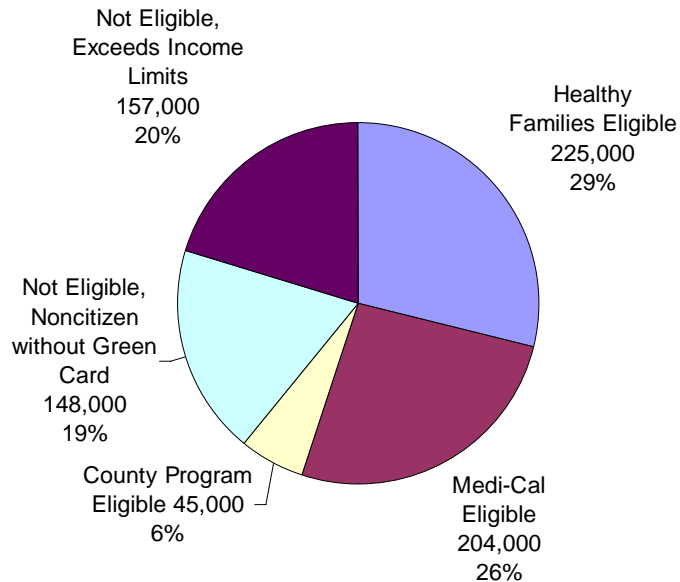
Note: "Total" numbers are calculated by accounting for new subscribers and those who dropped coverage.

**Healthy Families Program
Uninsured Children in California, 2001-2005
Under age 19 and under 300% federal poverty level**



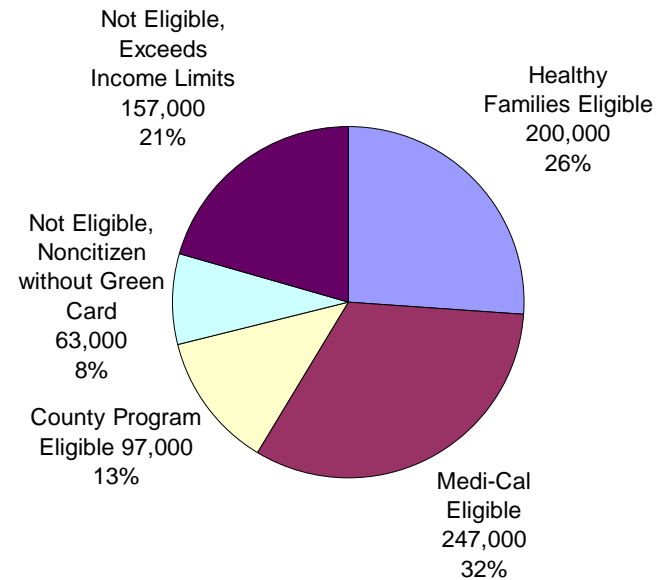
Uninsured Children: CA Health Interview Survey, UCLA

2003



779,000 Uninsured

2005



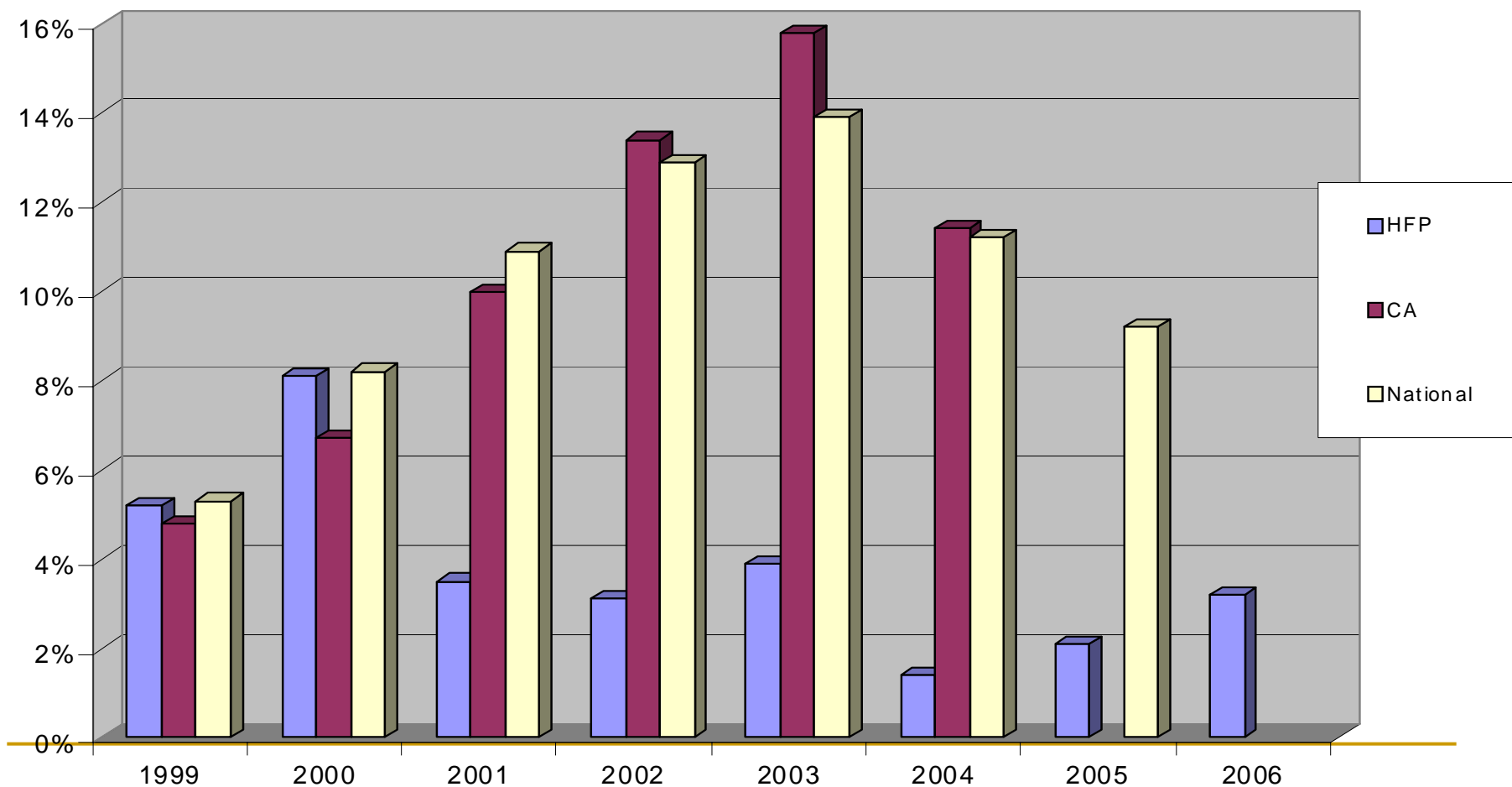
763,000 Uninsured

Note: Totals may not equal 100% due to rounding

Healthy Families Program

Rate negotiation model results in controlled costs

Percent Changes in Per Member Per Month (PMPM) Costs



Effect of HFP Coverage on Health Status

- A research project examined the effect of coverage on health status during 2001-2003 (published in the Journal of Pediatrics 2006: 149: 354-61)
- The tool used assessed physical and psychosocial health
- Surveyed families in 5 languages:
 - English, Spanish, Vietnamese, Korean, and Chinese
- Dramatic, sustained improvements in health status for children in the poorest health; significant sustained increases for these children in school performance
- Meaningful improvement in health status for the population at large.
- Increased access to care and reduced foregone health care for children in the poorest health and the population at large.
- Lack of significant variation by race and language in reports of noforegone care—the most significant variable associated with access.

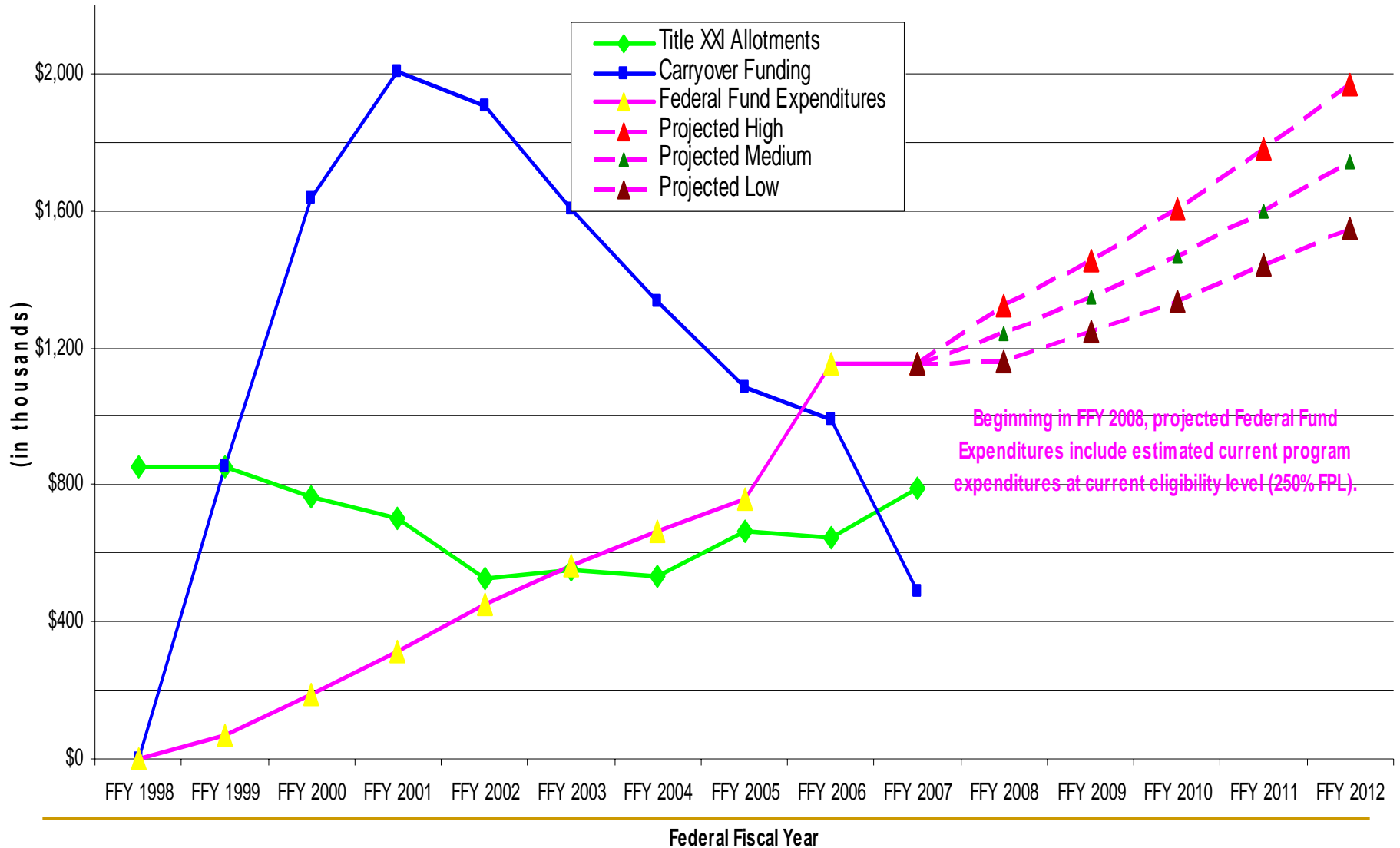
Quality Assessment

- Plans required to submit audited data on HEDIS indicators (health and dental)
 - Have terminated a plan for inadequate performance
- Annual consumer satisfaction survey (health and dental plans)
- Plans required to provide services in language of subscriber and to translate plan materials into 5 languages
 - Also required to periodically review the needs of their HFP population regarding cultural and linguistic services and report progress annually

SCHIP Funding Reauthorization & California's Needs

- **Preliminary findings from a pending California HealthCare Foundation report show California needs:**
 - ❑ \$6.7 to \$8.1 billion over 5 years vs current \$4 billion level to maintain current eligibility level (250% FPL)
 - ❑ State wants to expand to 300% FPL. This would cost an additional \$100 million per year or \$500 million for 5 years in FFP.

Comparison of California's SCHIP Allotments, Carryover Funding and Expenditures
 Allotments, Carryover Funding and Expenditures are based on the Federal Fiscal Year
 (October 1st through September 30th)



Projected Costs for California's SCHIP-Funded Programs

Year-by-Year Federal Costs Based on Current Eligibility Rules

(Numbers in Millions, May Not Add Due to Rounding)

Source: "Funding California's SCHIP Coverage: What Will it Cost?"
California HealthCare Foundation; Harbage, Chan and Evans; March 21, 2007 (working draft)

		FFY 08	FFY 09	FFY 10	FFY 11	FFY 12	Total
High	Total	\$ 1,323	\$ 1,457	\$ 1,607	\$ 1,778	\$ 1,965	\$ 8,130
	Over Baseline	\$ 532	\$ 666	\$ 816	\$ 987	\$ 1,174	\$ 4,175
Mid	Total	\$ 1,240	\$ 1,348	\$ 1,467	\$ 1,601	\$ 1,744	\$ 7,399
	Over Baseline	\$ 449	\$ 557	\$ 676	\$ 810	\$ 953	\$ 3,444
Low	Total	\$ 1,159	\$ 1,245	\$ 1,337	\$ 1,439	\$ 1,546	\$ 6,726
	Over Baseline	\$ 368	\$ 454	\$ 546	\$ 648	\$ 755	\$ 2,771

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